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S E C R E T SECTION 01 OF 03 DJIBOUTI 000110

SIPDIS

C O R R E C T E D C O P Y (ADDED ADDRESSEE HQ USCENTCOM)

SIPDIS

FOR ADMIRAL FALLON FROM AMBASSADOR SYMINGTON
CJTF-HOA FOR POLAD
LONDON, PARIS, ROME FOR AFRICA WATCHER

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TAGS: MASS PREL OVIP PGOV EAID DJ

SUBJECT: SCENESETTER: EMBASSY DJIBOUTI WELCOMES ADMIRAL
FALLON

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Classified By: AMBASSADOR W. STUART SYMINGTON. REASONS: 1.4 (B), (C), (D).

¶1. (C) Djibouti is a peaceful, tolerant, democratic, Muslim country that contributes remarkably to the national security of the United States as a key security partner. In addition to hosting a U.S. base, it refuels our ships (currently twice a week), broadcasts the Voice of America in Arabic and Somali throughout the region, and even provides us with one of our few live ammunition bombing ranges outside the U.S. (which we share with the French and Djiboutians). Recently, it replaced Dubai as the place we pre-position emergency food aid for the entire region. Djibouti consistently presses to resolve conflicts through dialogue, and its President, Ismael Omar Guelleh, publicly condemns acts of terror. It resolved its own civil war in the 1990s through a series of negotiations that led to an elected government that contains a coalition of former government and opposition leaders. President Guelleh, elected in 2005 to a second and final six-year term, is the architect of Djibouti's partnership with the United States, and of the private investment-driven economic growth that is literally changing the face of this once sleepy, post-colonial port-city-state.

¶2. (S) Our presence in, and partnership with Djibouti, significantly increase our capacity to project our principles and defend our interests in Africa. Home to the Combined Joint Task Force-Horn of Africa (CJTF-HOA), the only U.S. military base in Africa, Djibouti consistently proves its value as a security partner in many other ways. It is also home to 3,500 French armed forces personnel, many of whom live here with family members. When Djibouti won its independence from France in 1977, the two nations entered into an accord that obligated France to protect Djibouti's territorial integrity. Djibouti survived under that umbrella, in a very tough neighborhood, but, until recently, it did not show signs of flourishing.

¶3. (C) Your visit to Djibouti follows successful visits by the AFRICOM Commander and the Director of Central Intelligence in January 2008. On February 8, 2008, Djibouti will hold legislative elections for its 65-seat parliament. The ruling coalition "Union for Presidential Majority" (UMP),

headed by President Guelleh's "People's Rally for Progress" (RPP), is expected to retain control, as the opposition "Union for Democratic Alternative" coalition has called for a boycott of the election, as it did during the last legislative elections in 2003. Regional elections (last held in March 2006) will be held in 2010; presidential elections (last held in April 2005) will be held in 2011.

HUB FOR ECONOMIC GROWTH

¶4. (SBU) Much to the surprise of many, Djibouti is, today, fast becoming a vital hub with the potential to accelerate regional economic growth. After France, Djibouti's next most important source of revenue has been Ethiopia. Long one of Ethiopia's outlets to the sea, Djibouti today handles almost all Ethiopia's oceangoing commerce, and the volume is booming. Friction closed Ethiopia's access to Eritrea's port, and instability in Somalia chilled use of Berbera and Mogadishu.

¶5. (C) Some attribute Djibouti's rise today to Ethiopia's lack of port options. That is a factor, but others think the additional umbrella provided by our U.S. presence was what sparked investment, particularly from the Emirates. The U.S. deserves some credit, but most goes to President Guelleh who, after all, invited us (and Dubai and others) here. Djibouti's opening to the global economy, its surge in direct foreign investment, and its emphasis on education and health care, all reflect President Guelleh's personal priorities. The boom in trade volume reflects Djibouti's rapidly growing capacity as well as demand. Emirati investors, led by Dubai, are pumping about one billion dollars into the port and other infrastructure, with significant additional investment likely. U.S., Indian, Chinese, French and other investors are following suit. Looking at the Horn as a whole, you might not find a more transformational economic infrastructure investment than the port complex Djibouti is

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improving now at private sector expense, with its road, air, and rail links. Djibouti knows that its future depends on region-wide stability, economic growth, and integration. Djibouti's port speeds trade, and its livestock quarantine and export facility (that USAID launched) permits legitimate exports from the Horn to key Mid-East markets for the first time in decades.

¶6. (U) Djibouti's long-term plan is to diversify the work of its port, so that it serves more as a regional transshipment hub, than as a port dedicated to Ethiopia. In addition, it hopes to maintain a strong banking sector, with its convertible currency, pegged to the dollar since 1949, serving as a hard currency haven for people throughout the region. Djibouti seeks to develop its own mineral, maritime, and tourism resources. It sees its future as one driven by global economic growth, and sees economic integration as essential to stability. Its success would help inculcate similar values in the neighbors.

BILATERAL RELATIONS

¶7. (C) When you meet the President, you may hear praise for the U.S.'s role in Djibouti, and a pitch to increase it. You might also here a frank admission of all the challenges Djibouti faces. President Guelleh recognizes, and may say to you that, despite the wealth of new investment here, this remains one of the poorest countries on earth. He is likely to talk about his plans for Djibouti, and his hope that we will continue to work together closely as partners. He would be glad to give you his perspective on regional tensions, and may urge greater efforts to strengthen rapidly the African Union Mission in Somalia (AMISOM).

¶ 8. (SBU) At your CJTF-HOA meetings, you will see our terrific U.S. team and get a glimpse of how we work together to achieve our goals. Throughout the area, the CJTF-HOA approach is to work with our Embassy teams, in concert with USAID and host nations, to focus our efforts for greatest effect. One of its strengths is that it has coalition partner liaison officers, who represent all the countries in the region and other international partners. With its international team and regional perspective, and with its reach back to the United States and other countries, CJTF-HOA finds and brings new resources to the region to face development and security challenges and then plans and acts to apply those resources effectively. Perhaps CJTF-HOA's most positive impact is that it generates cooperation between regional leaders on security issues, and leads them to increase contact and coordination on their own.

DEVELOPMENT CHALLENGES

¶ 9. (SBU) At home, Djibouti faces tremendous challenges. Diseases, such as tuberculosis and recent cholera outbreaks, are common; many are imported or made worse by regional population flows. Recurring drought, low food production, and rising prices have made dangerous malnutrition a constant. Rural, nomadic life is increasingly tenuous. Despite those obstacles, Djibouti has scored significant domestic development successes. In November 2003, when we started working in health and education in Djibouti, many rural areas and urban neighborhoods had no schools or healthcare. Parents and civic leaders, until then, had played no role insuring quality services. Now, there are more than 80 parent-teacher associations. Today, girls' school attendance rates have soared, and there is much greater access to medical services in rural areas. USAID and CJTF-HOA, acting in concert, have had a significant hand in those gains. Critical audits of government activities have been done, and local civic groups are actively monitoring the success of local schools and clinics. Djibouti opened its first national university in 2006 and a medical school in ¶ 2007. Thanks to a fine communication effort, USG investment in these programs is widely known, and our role is a significant factor in popular support for the U.S. here.

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MILITARY COOPERATION

¶ 10. (S) Regional tensions cloud Djibouti's development prospects. The principal threat is instability in Somalia, where AMISOM requires additional U.S. and international support now to buttress the Ugandans with additional troops and make possible the Ethiopians' exit. Friction between Eritrea and Ethiopia, if not dampened soon, might lead to conflict. Other external dangers include illegal migration and the dangers of cross-border terrorist flows, crime, and disease. Surrounded by dangers, Djibouti resolutely supports peaceful dispute resolution, and stands against violence and terror. It avoids being enmeshed in territorial disputes and has repeatedly offered to help mediate with its neighbors. Djibouti is linked to Somalia, Yemen, Ethiopia, and Eritrea. All those neighbors have family and friends and business in Djibouti. President Guelleh presses hard for regional economic integration as a path to growth. Djibouti recently hosted a ministerial meeting of East African leaders on disaster preparedness (CENTCOM's Golden Spear), a conference of African intellectuals promoting understanding in the Horn, and an East African festival with musician "ambassadors" from throughout the region.

¶ 11. (S) Djibouti is actively working to stop terrorists. To increase its capacity to secure its borders, Djibouti

requires effective security assistance, as well as job growth and investment in the welfare of Djibouti's people. We are working to strengthen border security and information systems with military, police, and other officials. With CJTF-HOA and coalition partners, we also focus on improving coordination of law enforcement efforts among the countries in the region. We are using FMF and 1206 funds to bolster Djibouti's maritime awareness (radar) and interdiction capacity, including a recently approved USD 7.9 million regional maritime awareness capability (RMAC) system, using FY07 Section 1206 funds. We just gave them two small, new cutters and are working to build a navy pier in the north of the country that will allow Djibouti's Navy to project a presence in the Bab al Mandab strait, the entrance to the Red Sea. With CJTF-HOA and U.S. Coast Guard help, we are working with Djiboutians on small boat maintenance, handling and tactics; and with CJTF-HOA in the lead, we are bringing Djiboutians and Yemenis together to set the stage for future cooperation monitoring the strait. On the land, we are working to improve border security, providing training and equipment to the military and improving systems for tracking entrants. Often such efforts are joint ventures, with different Djiboutian organizations benefiting from the efforts of the Embassy Regional Security Office, Naval Criminal Investigative Service, CJTF-HOA, and others.

¶12. (C) Djibouti is, by necessity, one of the most global market-oriented and regionally-minded governments in the Horn, if not all of Africa. With a new destination hotel complex opened in 2006, and the new port, it increasingly lives up to its motto: "The land of meetings and exchanges."

If Djibouti remains stable, develops economically, and demonstrates good governance, all Djibouti's neighbors will benefit. Success in Djibouti will affect our efforts to promote peace in Somalia and our capacity to help others in the Horn, especially Ethiopia. This small nation at the base of the Horn may have an outsized impact on the whole, especially if Djibouti inspires its neighbors to make similar, transforming choices: maintain peace, attract investment, practice religious tolerance, and invest in social justice.

SYMINGTON